

**ASSESSMENT APPEALS BOARD MINUTES  
COUNTY OF SAN LUIS OBISPO  
STATE OF CALIFORNIA**

Friday, November 17, 2000

The Assessment Appeal Board of the County of San Luis Obispo, State of California, met in regular session at 9:00 o'clock A.M., in the Board of Supervisors Chambers, County Government Center, San Luis Obispo, California

PRESENT: Appeals Board Members Mr. Tom Baron, Mr. Kem Weber, Mr. Tom Neve,  
Alternate and Chairperson Harry Yasumoto

ABSENT: Appeals Board Members None

Mr. Ed Olpin, Deputy County Counsel, is present and represents the Assessment Appeals Board and Mr. Warren Jensen, Deputy County Counsel, is present and represents the Assessor.

Mr. Dick Frank, County Assessor, Ms. Linda Trahey, Mr. Cory Powell, and Mr. Rod Hallin, Deputy Assessors, are present and sworn.

This is the time set for members of the public wishing to address the Board on items not set on the Agenda. Chairperson Yasumoto opens the floor for public comment. Mr. Twitchell, Attorney for Mr. Wade Harker, states they thought their hearings were set today; submits a letter requesting the Board consolidate all of Mr. Harker's appeals and set them for hearing on January 12, 2001. **Thereafter, on motion of Mr. Weber, seconded by Mr. Baron, and unanimously carried, the Board consolidates Application Nos. 1997-97, 1999-4, 1998-8 and 1999-23 for hearing on January 12, 2001.**

**Application No. 2000-32, Eric Tarr**, APN No. 049,031,003, is presented for the Board's determination of timely filing for the 1999-2000 Supplemental Assessment. Mr. Jimmie D. Shores, co-owner, is present and sworn. Mr. Shores states the tax bills were mailed to the Tarr's, who were out of the country for several months; their mail was not opened until they returned, and requests that all future bills and notices be mailed to him at his post office box. **Matter is fully discussed, thereafter on motion of Mr. Baron, seconded by Mr. Weber, and unanimously carried, Application No. 2000-32, Tarr, for the 1999-2000 Supplemental Assessment is denied as untimely filed and directs that all future notices are to be mailed to Mr. Shores, PO Box 216, Atascadero, CA 93423.**

**Application No. 2000-54, Greg Nester**, APN Nos. 091-431-002, 091-431-003, 091-431-006, 091-431-007, 091-431-008, 091-431-009, 091-431-010, 091-431-011, 091-431-012, 091-431-013, 091-431-014, 091-431-015, 091-431-016, 091-431-017, 091-431-020, 091-431-021, 091-431-023, 091-431-024, 091-431-026, 091-431-027, 091-431-028, 091-431-030, 091431-032, is presented for the Board's determination of timely filing. The Applicant is not present. **Thereafter, on motion of Mr. Baron, seconded by Mr. Weber, and unanimously carried, Application No. 200-54, Nester, is denied as untimely filed.** Mr. Frank states if the applicant does appear later today, he will not object to the Board re-hearing the issue.

**Application Nos. 2000-25 and 2000-26, Kentucky Fried Chicken**, APN Nos. 800,006,350 and 800,000,139, is presented for the Board's determination of timely filing. The Applicant is not present. Mr. Hallin states the applicant was only notified of the results of an audit, the values have not been enrolled, however once the roll changes have been noticed the applicant will have the opportunity to appeal. **Thereafter, on motion of Mr. Weber, seconded by Mr. Baron, and unanimously carried, Application Nos. 2000-25 and 2000-26 are denied as being prematurely filed.**

**Application No. 2000-16, Richard Porterfield**, APN No. 040,141,071 is presented for denial for an incomplete application. The Applicant is not present. **Thereafter, on motion of Mr. Baron, seconded by Mr. Weber, and unanimously carried, Application No. 2000-16, Porterfield, is denied for non-completion.**

**Findings of Fact for Application Nos. 1997-54, 1998-10 & 1998-86, Tosco Corporation**, are presented. Mr. Warren Jensen addresses questions from the Board. **Matter is fully discussed and thereafter, on motion of Mr. Baron, seconded by Mr. Weber and unanimously carried, the Findings of Fact for Application Nos. 1997-54, 1998-10 and 1998-86, Tosco Corporation is approved as submitted and the Chairperson is instructed to sign same.**

**MR. BARON STEPS DOWN FOR THE NEXT ITEM AND MR. NEVE IS NOW PRESENT.**

**Application Nos. 1998-79, 1999-75 and 2000-50, Ogo Apartments of Paso Robles and Application No. 1999-74, Paso Robles Gardens Associates**, are presented. Mr. Michael Middleton, Agent, is present and sworn. Mr. Middleton states he received the Findings of Fact for Valencia Investors which are the Findings that Finding for Ogo Apartments of Paso Robles and Paso Robles Garden Associates are based upon too late to stop their approval; requests a continuance based on the following: (1) the State Board of Equalization (SBE) completes their review of Section 515 Multifamily Housing Projects (**Applicant's Exhibit 1 - Letter from State Board of Equalization dated August 24, 2000**); and (2) this issue is before the Appellant Court, and several counties have postponed any hearings of Section 515 Multifamily Housing until the Court has rendered a decision (**Applicant's Exhibit 2 - Sonoma County Letter dated October 20, 2000**). Mr. Frank wants the Board to hold Mr. Middleton to his original statement that he would agree to the stipulation; the SBE is only reviewing the policy, and if they make any changes the Assessor's Office will implement them. Mr. Middleton requests that the Board allow him one year from the time the Court rules to prepare for his hearing. The Board discusses granting a continuance, with Mr. Frank objecting. Mr. Middleton presents suggested Stipulations (**Applicant's Exhibit 3 - Ogo Stipulation and Applicant's Exhibit 4 - Paso Robles Stipulation**) and agrees to sign a Waiver of Time for these applications. **A motion by Mr. Weber, to continue Application Nos. 1998-79, 1999-74, 1999-75 and 2000-50 for six months, dies for a lack of a second.** The Board discusses continuing the hearings to July 16, 2001, with Mr. Middleton to send the Board a letter by their May 18, 2001 hearing date updating them of the progress of the Courts and the SBE. Matter is fully discussed. **Thereafter, on motion of Mr. Weber, seconded by Mr. Neve, and unanimously carried, Application Nos. 1998-79, 1999-75 and 2000-50, Ogo Apartments of Paso Robles and Application No. 1999-74, Paso Robles Garden Associates, is continued to July 16, 2001 with the Board to be updated at their May 18, 2001 hearing on the progress being made by the Courts and the SBE.** Mr. Middleton requests the Board continue all their active appeals regarding Section 515 Multifamily Housing to July 16, 2001 and agrees to sign the Waiver of Time. **Thereafter, on motion of Mr. Weber, seconded by Mr. Neve, and unanimously carried, Application No. 2000-78, Paso Robles Investors, LP and Application No. 2000-79, Atascadero Investors, LP is continued to July 16, 2001 with the Board to be updated at their May 18, 2001 hearing on the progress being made by the Courts and SBE. On motion of Mr. Weber, seconded by Mr. Neve, and unanimously carried, Application Nos. 1999-75 and 2000-50, Ogo Apartments, and Application No. 1999-74, Paso Robles Associates, the Board approves the Waiver of Time and instructs Chairperson to sign same.** The Clerk is instructed to send Mr. Middleton waivers of time for Application No. 2000-78, Paso Robles Investors, LP and Application No. 2000-79, Atascadero Investors, LP.

**MR. BARON IS NOW PRESENT.**

**Application No. 2000-54, Greg Nester**, APN Nos. 091-431-002, 091-431-003, 091-431-006, 091-431-007, 091-431-008, 091-431-009, 091-431-010, 091-431-011, 091-431-012, 091-431-013, 091-431-014, 091-431-015, 091-431-016, 091-431-017, 091-431-020, 091-431-021, 091-431-023, 091-431-024, 091-431-026, 091-431-027, 091-431-028, 091-431-030, 091431-032, is brought back on for discussion. Mr. Nester is now present and sworn. Mr. Nester states there was a total of 32 lots purchased, 5 of the lots were in a double escrow. Mr. Frank presents **Assessor's Exhibit 1 - Grant**

**Deed, Assessor's Exhibit 2 - Interspousal Transfer Deed, and Assessor's Exhibit 3 - Preliminary Change of Ownership form.** Mr. Nester presents **Applicant's Exhibit A - Black Lake Ranch Estates letter dated July 20, 2000 and Applicant's Exhibit B - First American Title Insurance Company letter dated August 22, 2000**, which documents 5 lots in a double escrow. Matter is fully discussed, thereafter, **on motion of Mr. Baron, seconded by Mr. Weber, and unanimously carried, Application No. 2000-54, Nester, the Board will take the information presented today under advisement and will send the Applicant their decision within 30 days.**

**Application No. 2000-40, Ed Faeth**, APN No. 800,002,012, is presented. Mr. Faeth is present and sworn. Mr. Hallin describes the property, date of value is January 1, 2000; recommends the Board hold the enrolled values as follows: the full value of Personal Property at \$18,906, plus a 10% penalty of \$1,890, for a total value of \$20,796; the penalty was added based on Revenue and Taxation Code Section 460 Failure to File Business Property Form 571L. Mr. Faeth presents his case; as of December 21, 1999 he is no longer in the photography business, other than doing reprints for previous customers. A discussion regarding the other equipment in the office occurs. Mr. Hallin presents the Assessor's case, **(Assessor's Exhibit A - Appraisal, and Assessor's Exhibit B - Photos)** discusses how values are established when the Business Property Form 571L is not filed, reads Revenue and Taxation Code 501 into the record, no documents have been provided by the Applicant; recommends the roll values be held. **Matter is fully discussed and thereafter, on motion of Mr. Weber, seconded by Mr. Baron, and unanimously carried, on Application No. 2000-40, date of value January 1, 2000, the full value of Personal Property is fixed at \$9,675, plus the 10% penalty of \$968, for a total fixed value of \$10,643.** Mr. Frank requests the Board explain how they valued the property, with the Board responding. The Applicant and Assessor waive Findings of Fact.

**Application No. 2000-8, Carriages Homes**, APN No. 090,093,003, is presented. Mr. Wayne Vaughn, owner, is present and requests the Board continue this hearing to January 12, 2001. **Thereafter, on motion of Mr. Weber, seconded by Mr. Baron, and unanimously carried, Application No. 2000-8, Carriage Homes, is continued to January 12, 2001.**

**Application No. 2000-3 and 2000-4, Medical Holdings, LLC**, APN No. 003,578,061, 003,578,062, for the 1998-99 and 1999-2000 Supplemental Assessment and 2000-2001 Regular Roll, are presented. Mr. Todd Cooper, Agent and Mr. Bob Spurgeon, Deputy Assessor are present and sworn. Mr. Frank discusses the discrepancies between the enrolled values and the values on the application; corrects the values as follows: APN No. 003,578,061, for the 1998-99 and 1999-2000 Supplemental Assessment, the full value for the land is \$305,000, the full value of improvements is \$4,565,000, for a total value of \$4,870,000; for APN No. 003,578,062 for the 1998-99 and 1999-2000 Supplemental Assessment, the full value of the land is \$1,545,000, the full value for the improvements is \$85,000, for a total value of \$1,630,000; APN No. 003,578,061, 2000-01 Regular Roll, the values on the application are correct and on APN No. 003,578,062 for the 2000-01 Regular Roll, the full value of the land is \$1,575,900, the full value of improvements is 86,700, for a total value of \$1,662,600. Mr. Spurgeon describes the property. Mr. Cooper presents his case **(Applicant's Exhibit A - Property Tax Study)**, discusses the sale of property and the financial problems of the hospital. A discussion regarding whether the purchase was an arm's length transaction occurs. Mr. Spurgeon continues presenting the Assessor's case **(Assessor's Exhibit 1 - Photos, Assessor's Exhibit 2 - Appraisal for Application 2000-3, Assessor's Exhibit 3 - Appraisal for Application 2000-4)**, using the income approach the total value is \$5,000,000; using the market approach the total value is \$5,300,000; and, using the cost approach the total value is \$4,774,396. A discussion regarding the cap rate and net operating income occurs. Mr. Cooper believes the major issue with this property is the risk associated with a large building and the cap rate states the rate should be 13.1%. Mr. Spurgeon states a fair cap rate would be 9.5%. **Thereafter, on motion of Mr. Weber, seconded by Mr. Baron, and unanimously carried, on Application No. 2000-3, Medical Holdings, LLC. , date of value is January 8, 1999, the full value of the property is \$4,200,000, with the Assessor to calculate the appropriate apportionment for the land and improvements and report these values back later today.** Both the Applicant and Assessor waive Findings of Fact.

11/17/2000

The Clerk requests the Board continue the agenda items regarding the Assessment Appeals Application form, Assessment Appeals Board Budget, and the 2000-01 Calendar to the January 12, 2001 hearing, with the Board concurring.

**Application No. 1999-6, Lawrence Virzi**, APN No. 083,451,023, is presented. Mr. Lawrence Virzi, Applicant, and Mr. Tim Kelley, Deputy Assessor, are present and sworn. Mr. Kelley describes the property and recommends the Board hold the enrolled value for land at \$9,000, with a date of value of April 1, 1998. Mr. Virzi presents his case (**Applicant's Exhibit A - Assessor's Comparable Sales, Applicant's Exhibit B - Taxpayer's Appeal/Comparable Sales**), discusses comparables, cost of bringing electricity to the property, and the real estate sales market in California Valley. Mr. Kelley presents the Assessor's case (**Assessor's Exhibit 1 - Comparable Sales**), tax sales are distress sales which are not included in the comparable sales. **Thereafter, on motion of Mr. Weber, seconded by Mr. Baron, and unanimously carried, the Board agrees to continue their meeting to 5:15 p.m.** The Board continues hearing Application No. 1999-6, Virzi. **Thereafter, on motion of Mr. Baron, seconded by Mr. Weber, and unanimously carried, the Board will take the information presented under advisement and will render their decision at their January 12, 2001 hearing.**

**Application No. 2000-54, Greg Nester**, is further discussed by the Board. **Thereafter, on motion of Mr. Baron, seconded by Mr. Weber, and unanimously carried, Application No. 2000-54, Nester, the Board amends their previous motion and continues their decision to January 12, 2001 and the Clerk is to notify Mr. Nester of this change.**

**Application Nos. 2000-3 and 2000-4, Medical Holdings, LLC**, is brought back on to allow the Assessor to read the values into the record. Mr. Spurgeon reads the values as follows: date of value January 8, 1999 the following values for the 1998-99 and 1999-2000 Supplemental Assessment: APN No. 003,578,061, the full value for the land is fixed at \$195,000, the full value of improvements is fixed at \$2,965,000, for a total fixed value of \$3,160,000; APN No. 003,578,062, the full value for the land is fixed at \$980,000, the full value of improvements are fixed at \$60,000, for a total fixed value of \$1,040,000; on Application No. 2000-4, Medical Holdings, LLC for the 2000-2001 Regular Roll, date of value January 1, 2000: APN No. 003,578,061, the full indexed value of the land is fixed at \$198,900, the full indexed value of improvements are fixed at \$3,024,300, for a total indexed of \$3,223,200; and on APN No. 003,578,062, the full indexed value of the land is fixed at \$999,600, the full indexed value of the improvements is fixed \$61,200, for a total indexed value of \$1,060,800.

The Clerk presents a request for **Approval of the Minutes for March 1, 2, 3, 10, 13, 16 and 17, May 19, July 17, August 18, and September 29, 2000.** **Thereafter, on motion of Mr. Baron, seconded by Mr. Weber, and unanimously carried, the minutes for March 1, 2, 3, 10, 13, 16 and 17, May 19, July 17, August 18, and September 29, 2000 are approved as submitted and the Chairperson is instructed to sign same.**

This is the time for Members, Staff and/or Assessor to bring up items for discussion at the next scheduled meeting. Mr. Yasumoto would like to see the Board have a meeting in February, the Clerk requests Mr. Yasumoto wait until the January meeting to discuss adding addition meetings to the calendar when Ms. Rodewald and Ms. Shelby are present. **No action taken.**

On motion duly made and unanimously carried, the Assessment Appeals Board of the County of San Luis Obispo, State of California, does now adjourn.

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Chairperson

ATTEST:

JULIE L. RODEWALD, County Clerk-Recorder  
and Ex-Officio Clerk of the Assessment Appeals Board

By: Deputy Clerk-Recorder

cmc